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SUBJECT: OAS AMBASSADOR JOHN MAISTO'S MAY 18 VISIT TO
URUGUAY

REF: A. STATE 78084

1B. MONTEVIDEO 00418

Classified By: Charge d'Affaires James D. Nealon
for reasons 1,4 (B) and (D)

11. (C) U.S. Permanent Representative to the Organization of American States (OAS) Ambassador John F. Maisto visited Montevideo on May 18 to discuss Summit of the Americas follow-up, the June OAS General Assembly, and U.S./Uruguayan bilateral relations. He met with President Vazquez, lunched with Formin Gargano and Vice Formin Herrera and held a press conference. The local media responded positively to his visit, connecting it to President Vazquez' trip to the U.S. and his meeting with POTUS earlier in the month. Ambassador Maisto demarshaled President Vazquez in support of Guatemala over Venezuela in its bid for a semi-permanent seat on the UN Security Council, but Vazquez was non-committal. Below are excerpts from the meetings that the Charge also attended. End Summary.

Cordial Meeting with President Vazquez

12. (C) Ambassador Maisto opened the discussion by telling President Vazquez that his visit to the White House and his speech at the Council of the Americas event at the State Department (in which Secretary Rice and WHA/AS Shannon also spoke) left lasting positive impressions in Washington. Vazquez replied that he was well received in the United States, both personally and professionally, and for that he was very grateful. Regarding his meeting with President Bush, he said that, "we agreed on a lot of things." adding that the two leaders resolved to work together to increase trade, and that progress toward this end would be measured at the next meeting of the Joint Council on Trade and Investment (JCTI) in October. "The key," Vazquez said, "is to work together on the things we agree on, and to hell with the differences." Among the things "agreed on," he included the need to deepen trade and to fight terrorism, narco-trafficking and money laundering. Ambassador Maisto concurred, adding that the democracies in the hemisphere also needed to deliver economic benefits to their citizens.

13. (C) Ambassador Maisto opined that bilateral issues appeared to be faring well and said, "We are not interested in labels of left and right, it's a question of democratic governance. If one is elected democratically, then one should govern democratically." Vazquez nodded in agreement and said, "We try to be pragmatic and want to be responsible and serious and say what we mean with no "double talk." When

Ambassador Maisto said that he planned to have lunch with the Foreign Minister to discuss his multilateral agenda, Vazquez perked up, stating that "it was important for us to work together on the multilateral agenda." Ambassador Maisto explained that the OAS is doing good work to fight corruption, monitor elections, promote human rights, and fight drug trafficking -- particularly in the case of Haiti. Referring to Haiti, Vazquez said that, "you can count on Uruguay to continue to cooperate," adding that the GOU had recently sent more troops to MINUSTAH and offered to assist in public health efforts.

¶4. (C) Turning to trade issues, Vazquez said that the acronym FTAA" (ALCA in Spanish) had caused a lot of discomfort in Uruguay and elsewhere in Latin America, so that he has had to resort to the code words of "deepen trade." Vazquez elaborated by saying that, "we would support a "4 1" mechanism with Mercosur (to join FTAA) but that it all depends on Brazil. In the meantime, there is nothing to prevent us from negotiating a bilateral trade deal within the framework of Mercosur. We can't afford to "politicize" trade since we signed an FTA with Mexico, our trade with it has doubled." Vazquez also briefly touched on the paper mill dispute with Argentina and said, "I have this problem with Argentina, but we're going to build the plants, and we won't contaminate the environment."

¶5. (C) After a lengthy discussion about Venezuelan President Hugo Chavez, (in which Vazquez acknowledged, "that he (Chavez) listens to me") Ambassador Maisto demarshaled the President on Guatemala's bid for a semi-permanent seat on the UNSC. He said that Guatemala is a small country, supportive of UN and Peacekeeping Operations (PKO). The country that gains this seat will represent the entire Western hemisphere. Such a country has to be serious because of the important issues involved such as Iran, the Middle East and weapons of mass destruction (WMD). Guatemala is more or less capable of acting responsibly, while Venezuela is not, he said. Vazquez responded by saying, "When I was in Mexico, President Fox said the same thing, as he is actively and openly supporting Guatemala." Vazquez added, "The issue has not been resolved yet, but will be discussed within Mercosur." Ambassador Maisto indicated that Chavez had clearly "crossed the line," to which Vazquez replied, "yes, in Peru and Nicaragua, by involving himself in electoral issues."

Lunch with Senior MFA Officials mostly about Bolivia

¶6. (C) After departing the Suarez Residence, Ambassador Maisto and the Charge lunched at the Radisson Hotel with Foreign Minister Reinaldo Gargano, Deputy ForMin Maria Belela" Herrera and Uruguay's ambassador-designate to the OAS, Lujan Flores. Ambassador Maisto began with a tour d'horizon of the region, and expounded on the good work the OAS had done in Haiti and Colombia regarding election issues and on human rights. He said that at the upcoming General assembly in Santo Domingo there will be a robust discussion of human rights issues in the five countries of Cuba, Venezuela, Colombia, Ecuador and Haiti, and that Secretary General Miguel Insulza will be seeking support for his agenda. (Note: Vice-Formin Herrera said she will attend the meeting in Brazil this week on Haiti, but it was not clear whether Gargano or Herrera will attend the OAS meeting in Santo Domingo in June. End Note.) The Uruguayans expressed disappointment that their candidate for High Commissioner in Haiti had not been chosen.

¶7. (C) Much of the lunch discussion centered on current events in Bolivia. With an obvious jab at the U.S., ForMin Gargano said of the Morales GOB that, "We need to help them instead of destabilizing them." Ambassador Maisto pointedly concurred but explained that the USG has tried very hard to engage the GOB and to be patient. He said that Secretary Rice met with Morales in Santiago last March and that WHA/AS Tom Shannon had attended Morales' inauguration and had met with Morales. However, he said, it was not at all clear that the GOB wanted to work with us, or if so, what they wanted

from the U.S. He added that it is important to note that the U.S. has historically done more for Bolivia than anyone else and that it stands ready and willing to keep helping that country. Gargano mused that Uruguay could possibly send teachers to Bolivia and claimed that 60 percent of the population was illiterate.

¶ 8. (C) Gargano stated that there are three other countries that play key roles in Bolivia: Brazil, Argentina and Chile, adding that, "We need to try to understand the new GOB, though they are very difficult to understand. Certainly the Bolivians need a higher price for their gas, which will help stability and consolidate democracy." When Ambassador Maisto queried him on Brazil's reaction to Morales' moves on nationalizing the hydrocarbon's sector, Gargano replied, Brazil needs to be smart and find a win/win situation. This can be settled calmly, or it can be settled violently." Ambassador Maisto said the OAS is preparing to send a mission to work with the Constituent Assembly. He added that the Constituent Assembly is a highly charged political issue that needs to be democratic and avoid the danger that the new (mostly indigenous) team will say "now it is our turn." Gargano opined that that won't happen and said that Evo is ready to cut a deal with Santa Cruz and compared it to the situation of Catalunya within Spain.

Comment:

¶ 9. (C) The Uruguayan's appreciated Ambassador Maisto's timely outreach following President Vazquez successful visit to Washington and the effort he devoted to answering questions at the full press conference following his meetings. Ambassador Maisto has cleared this message. End Comment.
Nealon